

# Increasing Child Care Funding

## *Republicans Provide Increased Child Care Funds to Support More Work*

**Annual child care expenditures QUADRUPLED under welfare reform, rising from \$3 billion in 1995 to \$12 billion in 2004 (counting Child Care and Development Block Grant (CCDBG) and TANF funds).**

**The *Deficit Reduction Act of 2005* (DRA) increased child care funds by another \$1 billion over five years.**

**Claims that child care funds are insufficient are unsupported by history and facts.**

- In 1995 and 1996, “experts” claimed \$12 billion more was needed to meet the program’s requirements through 2002. Yet in 2005, almost \$4 billion in TANF funds sat unused, according to the most recent data.

**States also have the flexibility to transfer up to 30 percent of TANF funds to the CCDBG.**

- With this transfer authority, states could direct \$5+ billion of the annual \$16.6 billion TANF block grant to be spent on child care.
- The CCDBG program serves many families that are not eligible for welfare programs. Thus, increases in the CCDBG could translate to increased support for working poor families, regardless of whether or not they were ever on welfare.
- States also could choose to spend their TANF funds directly on child care, in addition to any money transferred to the CCDBG. The DRA retains the TANF block grant funding despite a dramatic decline in caseloads, meaning states have more than twice as much funding per family now as they did in 1996.